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81-308/2

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OIS Registry

File: Legal-2-3

22 OCT 1981

Mr. Steven Garfinkel  
Director, Information Security  
Oversight Office (Z)  
General Services Administration  
18th & F Streets, N.W.  
Washington, D.C. 20405

DD A REGISTRY

FILE: Records

Dear Mr. <sup>Steve</sup> Garfinkel:

Forwarded herewith is our fiscal year 1981 Agency Information Security Program Data (SF 311) report.

As was done last year, the statistics on classification decisions in sections 7A-C of the report were obtained from an actual count over a seven-day period (19-25 September) and projected to cover the reporting period.

Sincerely,

[Redacted Signature]

Director of Information Services  
Directorate of Administration

ST

Enclosure

STAT. DDA/OIS/RMD/RSB [Redacted] (19 October 1981)

Distribution:

- Original-Addressee
- 1-OIS Subject
- 1-OIS Chrono
- 1-RSB Subject: Reports to ISOO
- 1-RSB Chrono

Cy to DDA 6 Nov 81/yc

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## Continuation Sheet of SF 311

## 13. Narrative Report

A. DECLASSIFICATION. Describe actions to declassify information under the systematic review procedures of the Order. Include discussion of problem areas and give estimated date for transition to systematic review of material as it reaches its 20th anniversary of origin.

The Classification Review Division (CRD) of our Office of Information Services is responsible for the systematic review of Agency permanent records over 20 years old. It is composed of officers from throughout the Agency whose background and experience qualify them to make the necessary classification judgments. Coordination with originating or responsible components is available on those infrequent occasions when it is necessary. Over the past year CRD has increased overall production by 5%, even though we have lost the services of several reviewing officers. The requirement for our classification review work on Agency-wide priorities other than 20-year systematic review has increased measurably. Although the demand for CRD's services is high, the productivity of those officers working on declassification has been upgraded through increased clerical support and refinement of a number of internal procedures. The review procedures CRD negotiated with other agencies for two groups of interdepartmental records have been used as a basis for further agreements on review of other interagency material. As a priority matter, CRD continues to explore various methods of reviewing the large quantity of records stored in non-paper form (film, microforms, ADP media, etc.). However, shortage of qualified personnel, lack of required office space and other resources for the expansion of the staff, and limited vault and storage space in which to keep a backlog of work readily at hand remain as problems. Completion of 30-35% of the material necessary to make the transition to 20-year review by 1988 now seems likely; we will continue our efforts to complete the transition in compliance with the Executive order.

B. TRAINING. Describe all major actions relating to information security education and training, including special efforts toward limiting the amount, level, and duration of classified material generated, and increasing public access to information declassified.

During this reporting period, the Office of Training and Education (OTE) continued to familiarize Agency personnel with Executive Order 12065. In regularly scheduled training courses, special seminars, and discussion groups, OTE has addressed large numbers of employees at all grade levels on their responsibility to adhere to the Agency Information Security Program Handbook and associated guides.

Although emphasis has been placed on the originator's responsibility to properly classify information, our records management courses have also addressed the entire life cycle of records to include creation, use, maintenance, and destruction of Agency records. Special efforts have been made to make the employee aware that the benefits derived from limiting the amount of material created include a reduction in the effort and cost of maintaining and destroying classified information.

In addition, the Security Education Group of our Office of Security (OS) addresses a wide variety of audiences in performance of its mission. The spectrum ranges from new employees entering on duty to senior Agency personnel who have worked with classified information for many years. Regardless of the type of audience, the Security Education Group regularly emphasizes the employees' responsibility with respect to classified information. All audiences are invited to raise questions in the areas of classification, declassification, and storage of classified material.

The National Archives and Records Service (NARS) has already accessioned some Agency records, and others are under consideration. NARS was given printouts of a record group of finished intelligence from CRD's ADP system indicating the review decisions that were taken. Most of the material was declassified. This enabled NARS to take the indicated action on its own copies, thus making the information available to the public. In addition, we continue to schedule teams of review officers to visit NARS and the Washington National Records Center one day each week to review material of CIA interest found in records of other agencies. Some of this material is declassified and, therefore, becomes available to the public.

C. SAFEGUARDS. Describe actions to enhance safeguards, to include control of reproduction, reduction of classified holdings, and improved methods of destruction.

The Physical Security Division of OS enforces the safeguards required by Executive Order 12065 and the implementing directives through a program of physical security surveys, inspections, and audits. There are approximately 750 separate elements which are subject to this program. These elements include Agency Headquarters components, domestic facilities, foreign facilities, and contractor facilities. This program is administered through the use of approximately 24 professional officers with appropriate supervision. The program centers around establishing physical security program standards and procedural standards and the enforcement of these standards through surveys, inspections, and audits.

D. BALANCING TEST. Describe extent of use of the balancing test (E.O. 12065, Section 3-303) and impact on Agency mission.

The balancing test, in the context of litigation to which this Agency is a party, imposes no significant burden. Some Freedom of Information Act plaintiffs have argued that the balancing test under Section 3-303 of Executive Order 12065 is mandatory and that all classification review decisions must include balancing by the appropriate Agency official. However, most courts have rejected this argument and have held the balancing test to be discretionary.

E. PROGRAM MANAGEMENT. Describe major problems encountered in implementing E.O. 12065 and ISOO directives.

As reflected in paragraph 13C, the implementation of the Agency physical security program requires a substantial dedication of manpower. However, because of the nature of the Agency mission, the sensitivity of the information with which the Agency deals, and our charter to protect intelligence sources and methods, the implementation of Executive Order 12065 has not required a measure of physical protection over and above that already in existence.

Our most significant problem with implementation of E.O. 12065 continues to be the potential damage to the national security posed by the declassification of intelligence records, many of which by themselves may seem harmless but when considered in the aggregate could cause significant harm. Equally significant are the staffing and logistical problems mentioned in paragraph 13A above. Further, the systematic review of the Agency's non-paper holdings will be a major FY 1982 undertaking. We have just this year formed some guidelines for review of non-paper material. The evolving mechanism for review of interdepartmental material will require further adjustment. Finally, the demand for classification review work on other Agency documents is running quite high and will require continued attention and use of our assets.

*Subject*

DATA REGISTRY  
FILE *Records*

## ROUTING AND TRANSMITTAL SLIP

Date

26 March 1981

TO: (Name, office symbol, room number,  
building, Agency/Post)

Initials

Date

1. EO/DDA

2.

Director, Information Services

3. 1206 Ames Bldg.

4.

5.

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

## REMARKS

3 - Action

Pls note 31 October deadline.

STAT DO NOT use this form as a RECORD of approvals, concurrences, disposals,  
clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

Phone No.

EO/DDA, 7D-18 Hqs.

5041-102

OPTIONAL FORM 41 (Rev. 7-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.206

☆ U. S. GPO: 1978-0-261-647/3354



24 MAR 1981

STAT   
Deputy Director for Administration  
Central Intelligence Agency  
Washington, DC 20505

STAT  
Dear

The purpose of this letter is to announce that Standard Form 311, Agency Information Security Program Data (2/1981) will be in effect through the end of FY 1983. We are in the process of having copies of the form printed. We will notify you of the particulars concerning its availability as soon as possible. In order to provide reporting agencies with as much lead time as possible to familiarize themselves with the form, we enclose a copy of the draft.

The draft SF 311 (2/1981) includes the same categories of information appearing on SF 311 (10/1979) for FY 1980; some items of information have been rearranged, however, to facilitate ease of completion. Instructions concerning completion of SF 311 (2/1981) continue to appear on the reverse of the form. A completed copy of the form which pertains to FY 1981 actions is due in the ISOO no later than October 31, 1981. Unless superseded by later instruction, copies pertaining to FY 1982 and FY 1983 activities are due by October 31, 1982 and October 31, 1983, respectively.

I wish to emphasize that completion of all items listed on the form, including the narrative section, is mandatory. ISOO analyzes and utilizes this information in preparing its Annual Progress Report to the President. Therefore, it is essential that the answers be complete and provide meaningful data.

If you have any questions concerning this reporting requirement, please contact me or your ISOO liaison at 633-6880.

Sincerely,

STEVEN GARFINKEL  
Director

Enclosure (1)

On file GSA Release Instructions apply.



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 AGENCY INFORMATION  
 SECURITY PROGRAM DATA

A-RDP84B00890R000600140030-6

INTERAGENCY  
REPORT CONTROL  
NUMBER

0230-GSA-AN

2. DEPARTMENT OR AGENCY

3. CONTACT FOR ADDITIONAL INFORMATION (Name and  
Telephone No.)

4. SENIOR OFFICIAL (OVERSIGHT)

5. STAFF OFFICE

## 6. NUMBER OF ORIGINAL CLASSIFICATION AUTHORITIES

A. TOP SECRET	B. SECRET	C. CONFIDENTIAL	D. TOTAL
ORIGINAL			
7. CLASSIFICATION DECISIONS		0 - 5 YEARS (a)	OVER 6 - UP TO 20 YEARS (b)
		DERIVATIVE (c)	
A. TOP SECRET			
B. SECRET			
C. CONFIDENTIAL			

8. MANDATORY REVIEW, REQUESTS AND APPEALS	CASES FOR WHICH AGENCY IS RESPONSIBLE FOR FINAL DECISION								UNPROC- ESSED  (ii)	TOTAL PAGES REVIEWED (Est.)  (j)
	CASES CARRIED OVER FROM PREVIOUS PERIOD  (a)	NEW CASES RECEIVED  (b)	DECISION TO DECLASSIFY			CASES CARRIED OVER TO NEXT PERIOD  (f)	CASES REQUIRING OVER 30 DAYS FOR ACTION  (g)	CASES REQUIRING OVER 60 DAYS FOR ACTION  (h)		
			GRANTED IN FULL  (c)	GRANTED IN PART  (d)	DENIED  (e)					
A. REQUESTS										
B. APPEALS										

## 9. SYSTEMATIC REVIEW FOR DECLASSIFICATION

A. REVIEWED	B. DECLASSIFIED	C. EXTENDED BEYOND 20 YEARS	10. NUMBER OF FORMAL IN- SPECTIONS, SURVEYS OR PROGRAM REVIEWS CON- DUCTED	11. NUMBER OF TOP SECRET DOCUMENTS IN INVENTORY

## 12. INSTANCES OF INFRACTIONS DETECTED INVOLVING:

A. OVERCLASSIFI- CATION	B. UNDERCLASSIFI- CATION	C. MISAPPLICATION OF TIME LIMITS	D. CLASSIFICATION WITHOUT AUTHORITY	E. EXT. OF CLASSIFI- CATION WITHOUT AUTHORITY	F. MISMARKING
G. IMPROPER DESTRUCTION	H. UNAUTHORIZED ACCESS	I. IMPROPER STORAGE	J. UNAUTHORIZED REPRODUCTION	K. UNAUTHORIZED TRANSMISSION	

## 13. NARRATIVE REPORT

IMPORTANT: Comment on each of the items listed below on a continuation sheet. Attach exhibits when required. ADDRESS ALL ITEMS. Make answers as complete as possible.

- A. DECLASSIFICATION. Describe actions to declassify information under the systematic review procedures of the Order. Include discussion of problem areas, and give estimated date for transition to systematic review of material as it reaches its 20th anniversary of origin.
- B. TRAINING. Describe all major actions relating to information security education and training, including special efforts toward limiting the amount, level, and duration of classified material generated, and increasing public access to information declassified.
- C. SAFEGUARDS. Describe actions to enhance safeguards, to include control of reproduction, reduction of classified holdings, and improved methods of destruction.
- D. BALANCING TEST. Describe extent of use of the balancing test (E.O. 12065, Section 3-303) and impact on agency mission.
- E. PROGRAM MANAGEMENT. Describe major problems encountered in implementing E.O. 12065 and ISOO directives.

## I. GENERAL INSTRUCTIONS.

Each department, agency, or analogous organizational entity that creates, handles, and/or stores national security information (as defined in E.O. 12065) must submit a report in an original and one copy. Entries must be typewritten. Consolidate reports of component activities. Submit reports to ISOO annually, on a fiscal year basis, no later than October 31. Do not include national security information in the reporting form; send such information to the Director, ISOO, by separate authorized means.

## II. PROCEDURAL INSTRUCTIONS.

Item 6. Enter in appropriate columns the number of Top Secret, Secret, and Confidential original classifiers authorized as of the end of the reporting period. Make entry only for the highest level authorized; i.e., entries for individuals with Top Secret authority shall be shown only under column (a) and not under columns (b) and (c). The same applies to those with Secret classification authority.

Item 7. Enter in columns (a) and (b) an actual count of original classification decisions generated during the reporting period by level and duration of classification. In column (c) enter an actual count of derivative classification decisions. Do not count reproduction or copies of records as classification decisions. Agencies that generate a high volume of derivative classification decisions may request authorization from the Director, ISOO, to develop sampling methods in lieu of actual count. The request must be in writing and must include: (1) a statement as to the reasons for the request, and (2) an explanation of the sampling methods proposed. Agencies must inform the ISOO, in writing, of any revisions to the approved sampling method. Sampling methods already approved by the ISOO will continue in effect unless they are subject to revision. As used in this report the term "classification decision" means a decision to apply classification markings (either original or derivative) to records as defined in Section 3301 of Title 44, U.S.C. (Section 3301 of Title 44, U.S.C. defines the term "records" to include "all books, papers, maps, photographs, or other documentary materials, regardless of physical form or characteristics.") Under this definition classification decisions would include decisions recorded on any media, including microforms, magnetic recordings, computer print-outs, etc.

Item 8A. Enter in the appropriate columns mandatory declassification review requests carried over from the previous reporting period, new ones received, and action taken on them. The sum of the cases recorded under columns (a) and (b) must equal the sum of cases recorded under columns (c) through (f). Enter in column (i) the number of unprocessed cases. The term "unprocessed cases" means those for which the agency is not responsible for final action. They include: (1) cases in which the request was withdrawn by the requester; (2) cases returned to the requester because the request did not reasonably describe the information; (3) cases forwarded to another agency for final action; and (4) cases received from another agency for opinion only. Cases recorded in column (i) must not be counted under cases recorded under other columns.

Item 8B. The same instructions given for completing Item 8A, above, apply to Item 8B, except that the information recorded in these columns refers to mandatory review appeals.

Item 9. Enter in the appropriate columns actions taken as a result of systematic review for declassification of U.S. originated, permanently valuable documents in the custody of the reporting activity. Report actions by number of pages.

Item 10. For the purpose of this report, an inspection, survey, or program review includes any formal independent evaluation conducted within the agency of any aspect of the information security program established by E.O. 12065, to include policy, procedures, and operations.

Item 11. Enter the actual number of Top Secret documents recorded as of the last annual inventory.

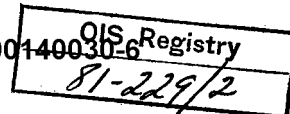
Item 12. An infraction is any error and/or impropriety in marking, destroying, handling, reproducing, transmitting, gaining access and/or storing classified information in a manner which does not conform with the requirements of E.O. 12065 and its directives. Actions which constitute an infraction are listed in blocks A. through K. Enter in the appropriate column the total number of infractions detected as a result of inspections conducted during the reporting period. (See Item 10 above.) Infractions reported on this form should not include those "knowing and willful" violations of the terms of the Order and its directives required by 5-504 of the Order to be reported to the Director, ISOO, as they occur.

Item 13. The "narrative report" section is designed to register descriptions of major accomplishments and problems detected during the reporting period. Detailed narrative reporting is mandatory.

STAT

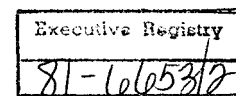
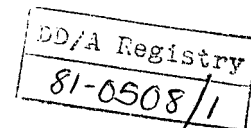
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## NATIONAL FOREIGN-INTELLIGENCE BOARD

10 APR 1981



MEMORANDUM FOR NATIONAL FOREIGN INTELLIGENCE COUNCIL

SUBJECT: Waiver of Portion-Marking Requirement for In-Plant  
Contractor-Generated SCI Documents

1. In response to a request by the Acting Chairman, NFIB, the Director, Information Security Oversight Office (ISOO) has granted a waiver from the portion-marking requirement of Section 1-504 of Executive Order 12065, for sensitive compartmented information (SCI) material generated by SCI contractors in contractor facilities. This memorandum is authorization to implement the provisions of the waiver.

2. The provisions of the waiver are permissive rather than mandatory, and cognizant Senior Intelligence Officers may continue to require portion-marking where appropriate. Any document upon which the waiver is exercised will be marked as follows:

"Warning - this document shall not be used as a  
source for derivative classification."

3. In his approval letter (attachment B), the Director, ISOO, stated that the waiver does not apply to certain types of information. Questions concerning this provision may be directed to agency records management personnel or to ISOO.

/s/ William J. Casey

William J. Casey  
Chairman

## Attachments:

- A. Letter from Acting Chairman, NFIB, to Director, ISOO dated 7 January 1981.
- B. Letter from Director, ISOO, to Chairman, NFIB, dated 3 March 1981.

Washington, D.C. 20505

OIS Registry

80-974

DD/A Registry

80-3767

Executive Registry

80-8464

Mr. Steven Garfinkel  
Director, Information Security  
Oversight Office (Z)  
General Services Administration  
18th & F Streets, N.W.  
Washington, D.C. 20405

7 JAN 1981

Dear Mr. Garfinkel:

As you are aware, for some time the Intelligence Community has been working on a compartmented information program known as APEX, a single community-wide system designed to replace the multitude of compartmented systems already in existence. The primary objective of APEX is to ensure that only information which is truly sensitive and deserving of compartmentation is so marked and receives the protection it deserves. Unfortunately, the conversion to APEX will be costly, both in terms of dollars and human resources. It is therefore necessary to determine areas where small modifications to current standards will produce substantial cost savings.

We have determined that one of those areas is the portion marking requirement of Executive Order 12065. While we have no problem with the portion marking requirement as applied to members of the Intelligence Community, I do believe that this requirement, if imposed on government contractors who do work for the Intelligence Community, would result in costs which would greatly exceed any benefits derived therefrom. For example, a recent survey of only a few contractors indicates that the costs of portion marking by contractors will cost tens of millions of dollars.

It is therefore requested that, in accordance with provisions of E.O. 12065, you waive the portion marking requirement as it would apply to in-plant contractor generated sensitive compartmented information.

Forwarded herewith is substantiation for the waiver request. Since we intend to implement APEX in early 1981, I would appreciate your early and favorable consideration of this matter.

Yours sincerely,

/s/ Frank C. Carlucci

Frank C. Carlucci  
Acting Chairman,  
National Foreign Intelligence Board

Enclosure

Enclosure to Letter to Director, Information Security Oversight Office

SUBJECT: Waiver of Portion Marking Requirement for In-Plant,  
Contractor Generated APEX Material

The following is submitted in accordance with ISOO Directive  
No. 1, Section I, paragraph G.9:

a. Identification of the information or classes of documents  
for which such waiver is sought.

All contractor generated sensitive compartmented  
information (SCI) produced in contractor facilities  
under a formal agreement between the government  
and the contractor for services or products.  
Contractor/consultant produced material generated or  
prepared within a government facility will meet the  
requirements for portion marking as though it were a  
government produced document.

b. A detailed explanation of why the waiver should be  
granted.

The requirement for portion marking will increase  
severely the man-hours to produce documents. Such  
requirement will require additional personnel resources,  
thereby increasing contract costs.

c. The agency's best judgment as to the anticipated  
dissemination of the information or class of documents for which  
waiver is sought.

All contractor generated SCI material will be submitted  
to the Program Managers for use or further distribution,  
if any, or to others as directed.

d. The extent to which the information subject to the waiver may form a basis for classification of other documents.

The majority of documentation generated by contractors is of a technical or engineering nature and is an end product; therefore, it is unlikely that such material would be used as a basis for classification of other documents.



General  
Services Information Security  
Administration Oversight  
Office

Washington, DC 20405

3 MAR 1981

Honorable William J. Casey  
Chairman, National Foreign Intelligence Board  
Washington, D.C. 20505

Dear Mr. Chairman:

By the provisions of Section 1-504, Executive Order 12065, each classified document shall, by marking or other means, indicate clearly which portions are classified, with the applicable classification designation, and which portions are not classified. The Director of the Information Security Oversight Office may, for good cause, grant waivers of this requirement for specified classes of documents or information. In his letter of January 7, 1981, the Honorable Frank C. Carlucci, then Acting Chairman, National Foreign Intelligence Board, requested a waiver of the portion-marking requirement as it would apply to sensitive compartmented information (SCI) material generated by SCI contractors in contractor facilities. The rationale for the waiver is the substantial cost savings in terms of dollars and human resources.

After careful consideration of the points raised by Mr. Carlucci, and discussions with officials from the Central Intelligence Agency and other agencies concerned with the SCI program, I have concluded that portion-marking of SCI material generated in SCI contractor facilities would pose an inordinate financial burden, far beyond the benefits to be derived from the portion-marking of this information. Critical to my determination are the facts that (1) the classified information at issue is not contained in permanently valuable records of the Government; and (2) the classified information at issue will not be used as a source for derivative classification decisions outside the contractor facility.

A waiver is hereby granted from the portion-marking requirements of Section 1-504 of Executive Order 12065, for SCI material generated by SCI contractors in contractor facilities. To preclude the unnecessary classification or overclassification of permanently valuable records of the United States, this waiver shall not apply to information contained in any records so designated by the Archivist of the United States. Further, any information transmitted outside the in-house contractor facility, where it may be used as a source document in the derivative classification of other information, must be portion-marked before its transmittal.

In order that ISOO can monitor this waiver and its exceptions as part of its ongoing oversight responsibilities, I would appreciate receiving a copy of any instruction intended to implement this decision. Please don't hesitate to contact me if you have any questions or comments.

Sincerely,

STEVEN GARFINKEL  
Director

On file GSA Release Instructions apply.